JANUARY, 1936

The Real Estate ANALYST

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# FORECASTS FOR 1936

FORECASTING is one of the most ancient of all arts. In every age, from earliest recorded history to the present, certain individuals have claimed a special ability to peer into the future. Forecasting has not kept its place during the past few thousand years because of the accuracy of its predictions, but because of its practical necessity. Men must act as if they could foresee the future. The wisdom of any present course of action depends almost entirely on how it will harmonize with the events and trends of tomorrow.

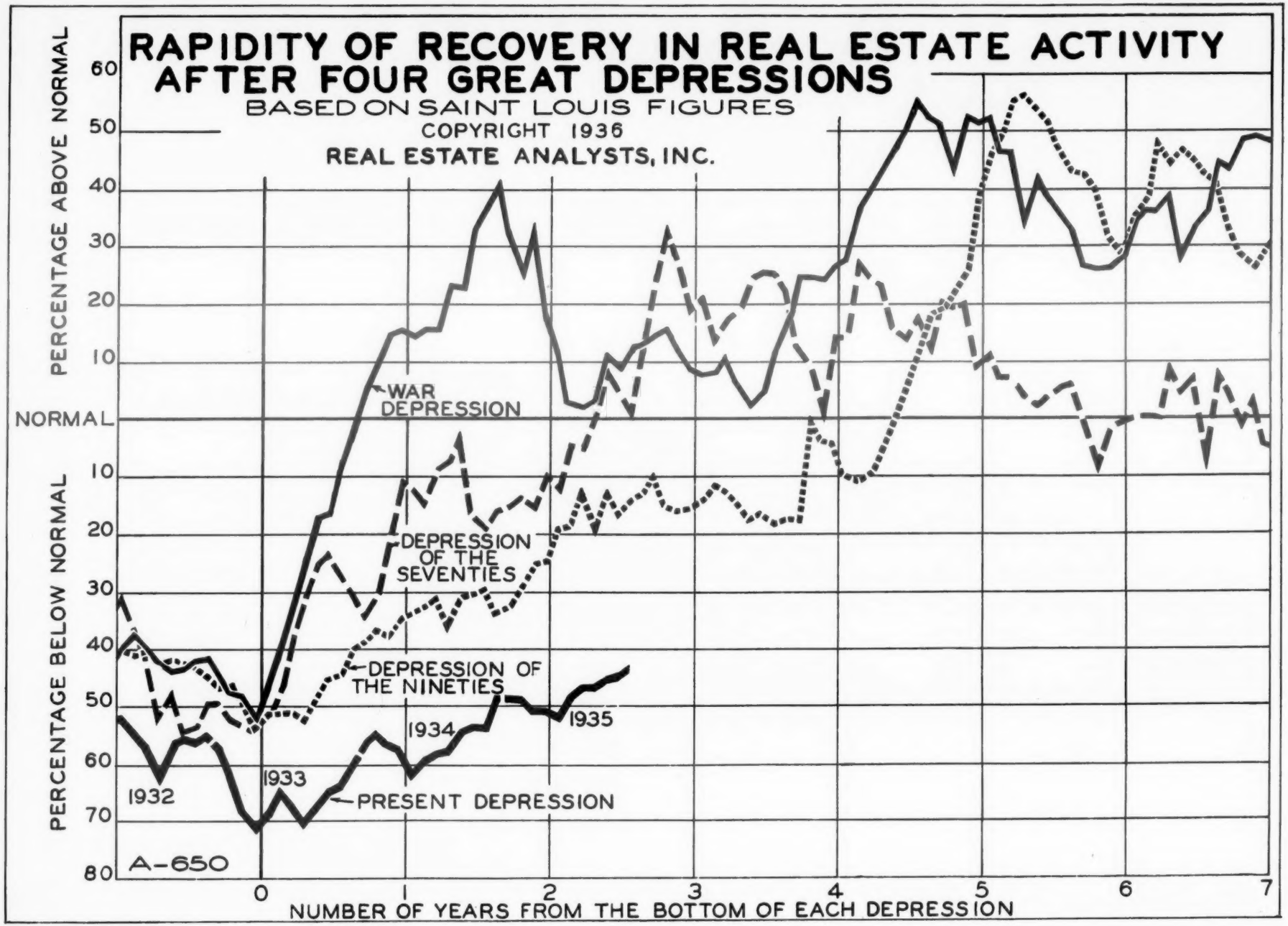
Business forecasting is cnly now emerging from the hocus-pocus stage to the levels of a real science. It will still be many years before it can hope to predict with precision the short, irregular, rapidly fluctuating movements of general business or the stock market. The real estate cycle, however, is peculiar in its extreme length and in the slowness and regularity of its movements. Because of these characteristics, Real Estate Analysts, Inc., believes that the real estate cycle can be forecast with more than reasonable accuracy. Each year the January issue of the Real Estate Analyst has carried forecasts for the year. The accuracy of our past forecasts can be checked by referring to those issues. Our forecasts for 1936 follow:

**SALES** In the average of all principal cities the lowest point in real estate sales was reached in the spring of 1933. Improvement has been gradual but steady from that point to the present. Since May each succeeding month has shown an increase in real estate activity. This is shown on the chart on the back of this report. Sales are now 47% above the low of two and a half years ago. They have increased 13% during the past year. There seems little doubt but that 1936 will see a continuation of this upward trend, with a chance that the rate of improvement will be faster than it has been during 1935. In all except the largest cities of the United States most of the brokerage activity during at least the first six months of the year, however, will be in single and two family dwellings. Toward the end of the year there should be a more active market on apartment properties.

Subdivisions will find more prospects this year, but in the greater part of the United States this business will be good only in comparison with the almost negligible business of the past few years. In a few rapidly growing cities the sale of lots will rise to more impressive totals than have been reached in the last seven years.

The rapidity with which the sales of urban properties in Greater Saint Louis increased after the great depression of the Seventies, the

(continued on page 495)


RAPIDITY OF RECOVERY IN REAL ESTATE ACTIVITY
AFTER FOUR GREAT DEPRESSIONS
BASED ON SAINT LOUIS FIGURES
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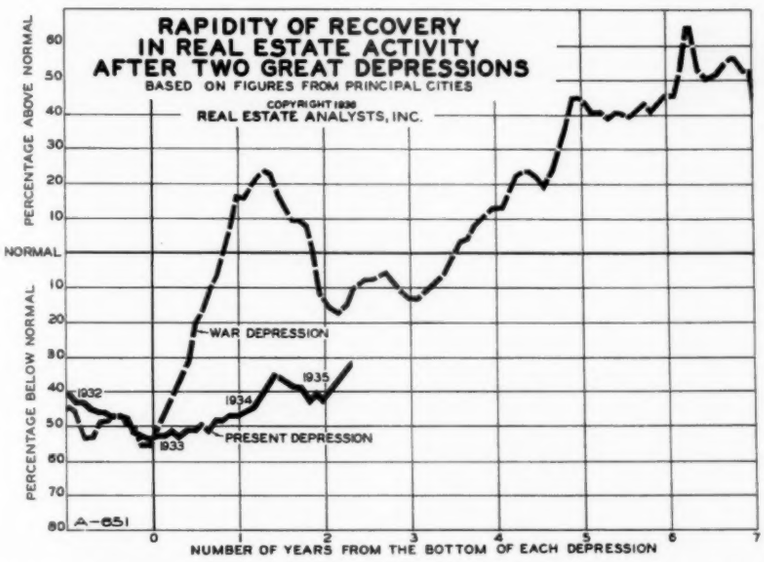
REAL ESTATE ANALYSTS, INC.
PERCENTAGE ABOVE NORMAL
PERCENTAGE BELOW NORMAL
NORMAL
60
50
40
30
20
10
10
20
30
40
50
60
70
80
WAR DEPRESSION
DEPRESSION OF THE SEVENTIES
DEPRESSION OF THE NINETIES
1932
1933
1934
1935
PRESENT DEPRESSION
A-650
0
1
2
3
4
5
6
7
NUMBER OF YEARS FROM THE BOTTOM OF EACH DEPRESSION

## FORECASTS FOR 1936 (continued from page 493)




depression of the Nineties, the World War depression, and the present depression is shown on the large chart on the opposite page. On this chart the lowest point in each depression is synchronized in such a way that the number of years from the bottom of the depression to normal and to the boom can be read from the scale at the base of the chart. It will be noticed that the rate of recovery from the present real estate depression has been slower than from any preceding one. This slowness of recovery was anticipated in the many forecasts made by our organization, in which the years 1938 to 1940 were constantly mentioned as the probable dates for the real boom.

The same sort of a chart, comparing the rapidity of recovery in real estate sales in all principal cities after the World War depression and after the present depression, is shown above. Figures are not yet available on a sufficient number of cities to be able to get comparisons for the depression of the Seventies or the depression of the Nineties. We hope, however, within the relatively near future to be able to make such comparisons.

During the earlier part of the year the sale of farm lands will probably be retarded by the Supreme Court decision on the AAA and the subsequent confusion and discussion of its effects. The sale of farm lands during 1936, however, will exceed the total for 1935.

**RENTS**

As can be seen from the charts at the top of page 498, advertised rents of single family dwellings in practically all cities are higher than they were a year ago. Further gains will be made this year, probably not rapid in most cities, but consistent. Sometime either this year or next dwelling rents are going to start rising very rapidly.

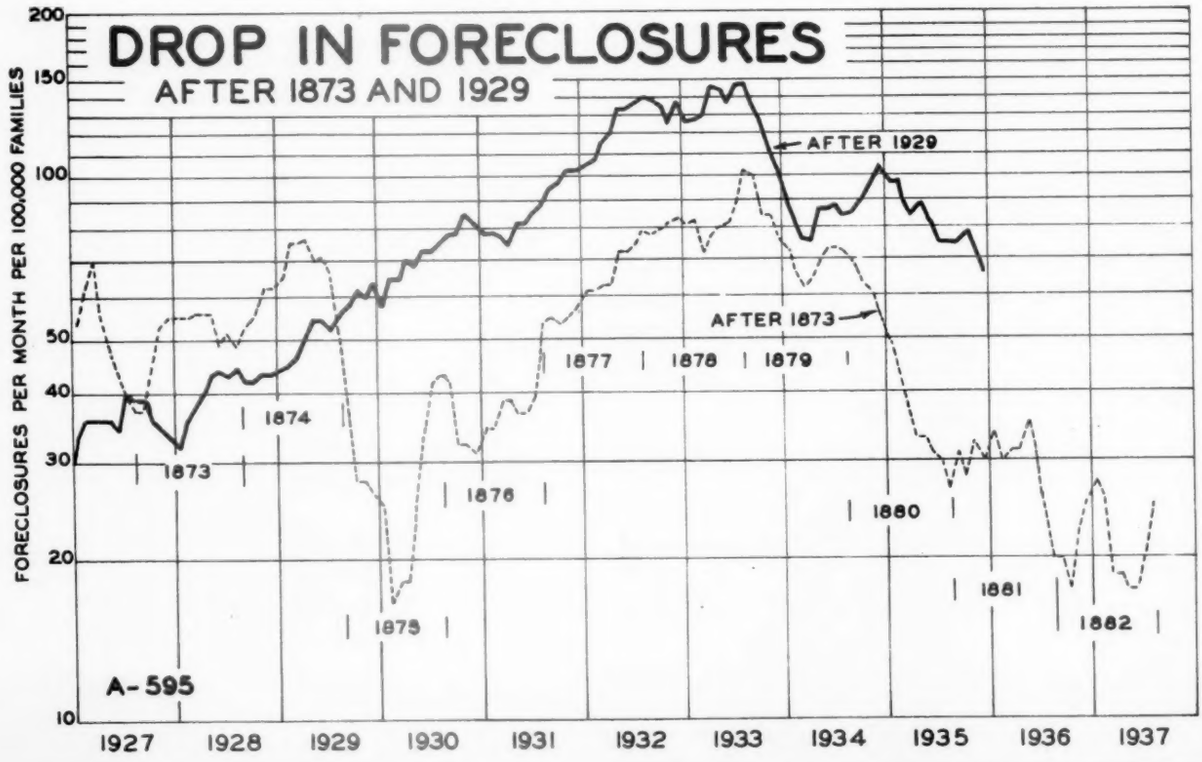
Apartment rents in many cities have not yet shown a tendency to rise rapidly in spite of very much reduced vacancy. Our studies have shown clearly, however, that vacancies can drop rapidly, accompanied by falling rents, until a certain critical point is reached. When that point is reached, rents start rising. Apparently this point has not yet been reached in almost half of the cities we report.

Office rents cannot be expected to show an increase in most cities during 1936. Vacancy is decreasing in practically all cities, but here too the critical point has not yet been reached.

**RESIDENTIAL VACANCY** The absorption of dwelling vacancy during 1935 was not so rapid as it was during 1934. That this would be the case was forecast a year ago. Residential vacancy in most cities is now so low that any further reduction will have a much intensified effect on rents. During 1936 a housing shortage will develop in many of those cities which are experiencing the greatest degree of industrial recovery. Before the year is over, this shortage will become acute in a few rapidly growing cities.

**OFFICE BUILDING VACANCY** In most cities office building vacancy passed the peak more than a year ago (see charts on page 488 in the December, 1935 issue). In some of these cities more than a fourth of the total vacancy has now been absorbed. In only one city (Saint Louis) is office building vacancy at the peak. This is due in part to the withdrawal of many government offices from private buildings to a new Federal building. Absorption during 1936 will be slightly more rapid than it was during 1935, but vacancy will still be quite heavy at the end of the year.

**FORECLOSURES** The chart below shows the rise and fall of the foreclosure rate during the present depression in contrast with its rise and fall during the great depression of the Seventies. While this chart is based on Saint Louis, the experience both in the depression of the Seventies and in the present depression is quite similar to that of the other cities we have studied where the foreclosure procedure is as rapid and as inexpensive as it is in Saint Louis. In New York City the experience during the Seventies was very similar, but the present experience, as shown on page 501, is quite dissimilar. It is our belief that the foreclosure rate will drop rapidly during the next few years, faster in those cities where foreclosure has not been postponed in the earlier part of the depression by moratorium provisions or by long or costly procedures.



**NEW MORTGAGE FINANCING** Mortgage money will be much easier to get during 1936 than it was during 1935. The government will continue its efforts during 1936 to lower interest rates. There is now a large surplus of funds seeking safe investment. The investments of insurance companies in urban mortgages are increasing rapidly, as shown in the following table:

Percentage Distribution of New Investments by 47 Leading Life Insurance Companies, 1928-35

| Period | Total | Mortgages | | Railroad Securities | Public Utils. | Government Securities | Miscellaneous Securities |
|---|---|---|---|---|---|---|---|
| | | Farm Prop. | Dwellings and Business Property | | | | |
| 1928 (6mo.) | 100.0 | 11.1 | 49.1 | 10.6 | 13.6 | 10.1 | 5.5 |
| 1929 | 100.0 | 8.7 | 43.3 | 8.4 | 7.4 | 11.3 | 20.9 |
| 1930 | 100.0 | 10.1 | 44.8 | 9.9 | 15.4 | 11.1 | 8.7 |
| 1931 | 100.0 | 7.6 | 36.5 | 10.3 | 20.4 | 20.1 | 5.1 |
| 1932 | 100.0 | 9.3 | 31.3 | 1.1 | 9.9 | 44.0 | 4.4 |
| 1933 | 100.0 | 3.5 | 3.7 | 3.5 | 6.5 | 80.4 | 2.4 |
| 1934 | 100.0 | 1.6 | 2.7 | 5.9 | 7.2 | 76.6 | 6.0 |
| 1935 | | | | | | | |
| January | 100.0 | 1.5 | 2.1 | 4.7 | 7.2 | 65.1 | 19.4 |
| February | 100.0 | 2.7 | 3.1 | 5.9 | 9.1 | 72.5 | 6.7 |
| March | 100.0 | 1.5 | 3.6 | 5.2 | 10.9 | 72.0 | 6.8 |
| April | 100.0 | 1.6 | 5.1 | 7.8 | 13.8 | 67.1 | 4.6 |
| May | 100.0 | 1.7 | 6.7 | 3.8 | 14.8 | 60.4 | 12.6 |
| June | 100.0 | 1.2 | 6.3 | 3.5 | 12.4 | 65.6 | 11.0 |
| July | 100.0 | 1.1 | 8.6 | 2.3 | 33.5 | 48.2 | 6.3 |
| August | 100.0 | 1.5 | 8.4 | 7.8 | 17.1 | 53.3 | 11.9 |
| September | 100.0 | 2.3 | 8.4 | 5.6 | 16.2 | 60.3 | 7.2 |
| October | 100.0 | 1.3 | 8.3 | 3.1 | 22.3 | 58.1 | 6.9 |
| November | 100.0 | 1.2 | 4.3 | 1.5 | 18.8 | 62.5 | 11.7 |

**CONSTRUCTION** As we have frequently pointed out in the Real Estate Analyst, the volume of construction is governed by one thing only--the relationship of cost to value. If the cost of constructing a building is more than the price for which comparable buildings can be bought, new building in any volume cannot be stimulated. If, on the other hand, new buildings can be built to sell for an amount which makes it possible to compete in price with existing buildings, a building boom cannot be prevented. We are at the present time in a transition period--in a few cities rents and values on residential buildings have advanced to a point where building at present costs can be done. Most cities have not yet reached that point, and many of them cannot reach it this year. Even in these cities, the relationship of cost to value is more favorable than it has been for years. That relationship on office and hotel buildings is so unfavorable that little rational building of this type can be done.

On page 502 the month by month volume of residential building is shown for 1935 and earlier years. In 1935 slightly less than five new

(continued on page 500)

# AVERAGE ADVERTISED SINGLE FAMILY DWELLING RENTS 1935-36

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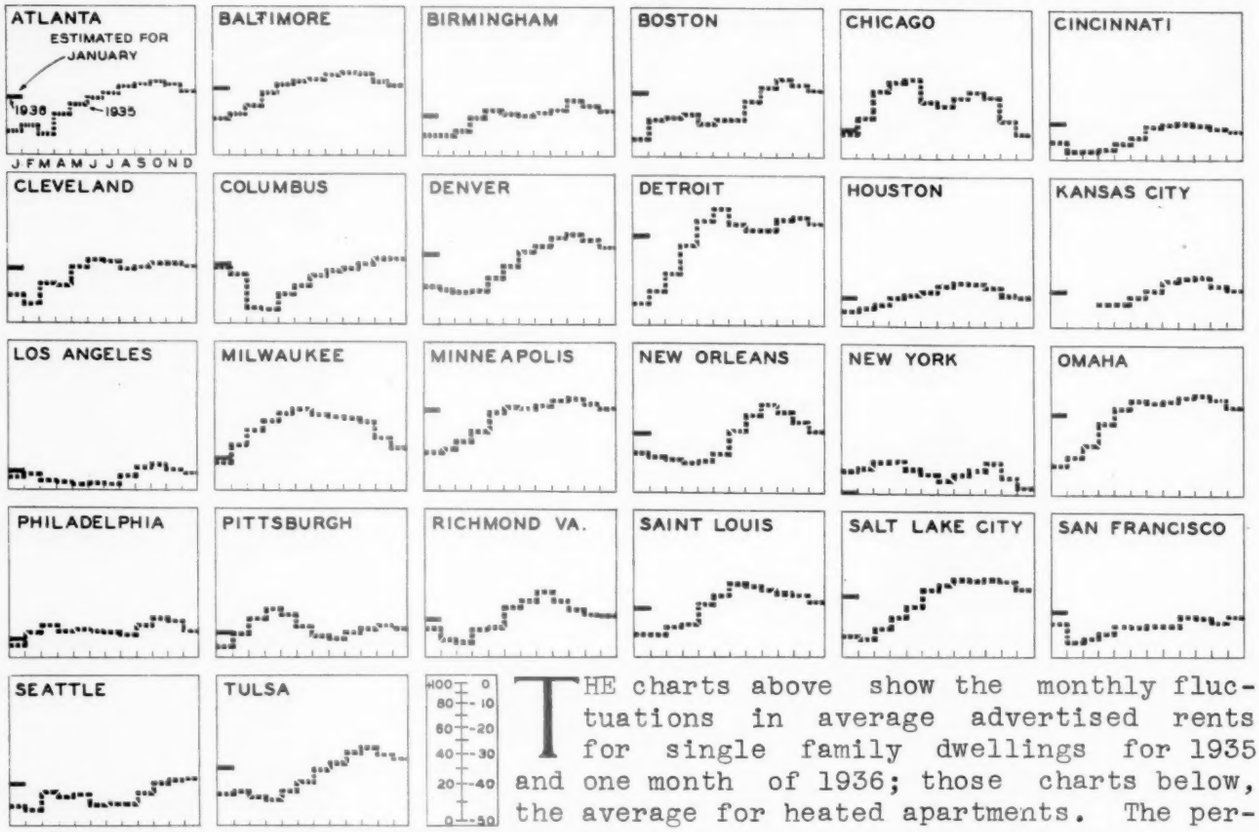


THE charts above show the monthly fluctuations in average advertised rents for single family dwellings for 1935 and one month of 1936; those charts below, the average for heated apartments. The per-

# AVERAGE ADVERTISED APARTMENT RENTS 1935-36

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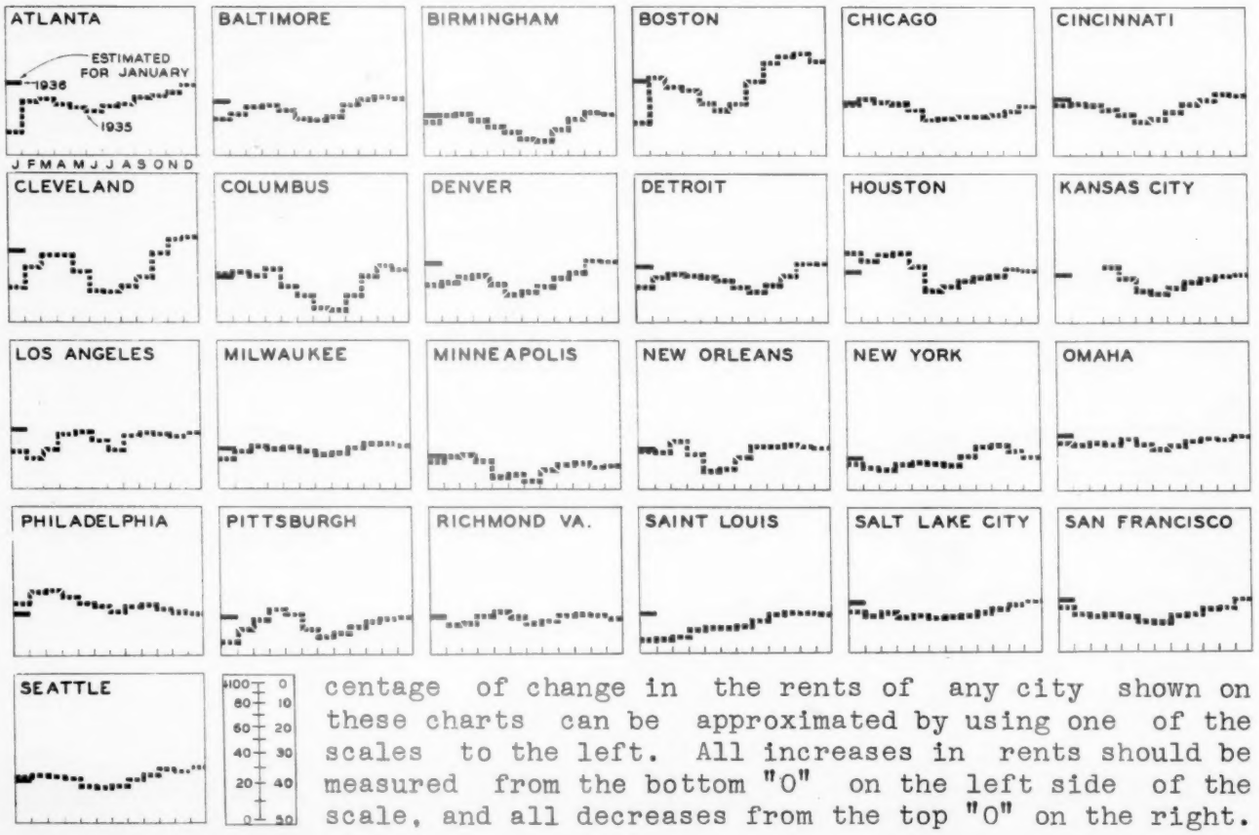



centage of change in the rents of any city shown on these charts can be approximated by using one of the scales to the left. All increases in rents should be measured from the bottom "0" on the left side of the scale, and all decreases from the top "0" on the right.

# ADVERTISED RENTALS ON DWELLING UNITS

THE Real Estate Analyst computes the average advertised rents of residential units of various types each month in the twenty-six metropolitan cities listed below. The figures given are average rents per month per room for all units of each type, large and small, advertised in the classified columns of the leading newspapers of each city.

The average of all places advertised for rent will vary considerably from month to month due to the inclusion some months of a larger number of either high or low priced units. That the trend is definitely up in most cities is indicated by the figures below and the charts opposite.

The January figures are preliminary, based on the advertisements appearing during the first two weeks of the month. In almost all cities these preliminary figures are above the final figures for January, 1935.

| | | Jan. | Feb. | Mar. | Apr. | May | June | July | Aug. | Sept. | Oct. | Nov. | Dec. | *Jan. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SINGLE FAMILY DWELLINGS | Atlanta | $5.66 | $5.74 | $5.56 | $6.14 | $6.47 | $6.62 | $6.78 | $6.93 | $7.09 | $7.25 | $7.12 | $6.93 | $6.72 |
| | Baltimore | 4.86 | 4.98 | 5.19 | 5.51 | 5.77 | 5.86 | 5.88 | 6.10 | 6.16 | 6.15 | 5.79 | 5.75 | 5.68 |
| | Birmingham | 4.43 | 4.43 | 4.57 | 4.85 | 5.01 | 4.96 | 4.90 | 4.94 | 5.06 | 5.22 | 5.15 | 5.08 | 4.93 |
| | Boston | 6.04 | 6.65 | 6.70 | 6.85 | 6.51 | 6.69 | 6.68 | 7.34 | 7.91 | 8.11 | 7.89 | 7.55 | 7.40 |
| | Chicago | 7.99 | 8.59 | 9.86 | 10.34 | 10.46 | 9.21 | 8.94 | 9.39 | 9.84 | 9.45 | 8.42 | 7.98 | 8.17 |
| | Cincinnati | 7.66 | 7.33 | 7.33 | 7.35 | 7.60 | 7.83 | 8.14 | 8.20 | 8.22 | 8.16 | 8.23 | 8.02 | 7.84 |
| | Cleveland | 6.93 | 6.64 | 7.34 | 7.29 | 7.95 | 8.18 | 8.02 | 7.88 | 7.94 | 8.11 | 8.08 | 7.84 | 7.69 |
| | Columbus | 5.31 | 5.17 | 4.35 | 4.35 | 4.65 | 4.88 | 5.07 | 5.21 | 5.31 | 5.45 | 5.59 | 5.61 | 5.42 |
| | Denver | 4.89 | 4.78 | 4.72 | 4.75 | 5.08 | 5.39 | 5.75 | 6.07 | 6.31 | 6.35 | 6.11 | 5.89 | 5.74 |
| | Detroit | 5.73 | 6.02 | 6.60 | 7.67 | 8.59 | 9.13 | 8.40 | 8.18 | 8.18 | 8.75 | 8.75 | 8.33 | 7.90 |
| | Houston | 6.44 | 6.53 | 6.69 | 6.96 | 7.02 | 7.18 | 7.32 | 7.39 | 7.38 | 7.24 | 7.10 | 7.01 | 7.09 |
| | Kansas City | - | - | - | 4.51 | 4.51 | 4.64 | 4.79 | 4.98 | 5.08 | 5.10 | 4.96 | 4.85 | 4.80 |
| | Los Angeles | 8.43 | 8.52 | 8.33 | 8.29 | 8.12 | 8.13 | 8.02 | 8.48 | 8.85 | 8.97 | 8.87 | 8.64 | 8.74 |
| | Milwaukee | 6.94 | 7.60 | 8.21 | 8.58 | 8.91 | 9.08 | 8.81 | 8.61 | 8.52 | 8.36 | 7.87 | 7.41 | 7.11 |
| | Minneapolis | 4.89 | 4.97 | 5.19 | 5.39 | 5.94 | 6.08 | 6.06 | 6.15 | 6.31 | 6.36 | 6.18 | 6.02 | 5.96 |
| | New Orleans | 4.87 | 4.79 | 4.70 | 4.65 | 4.69 | 4.85 | 5.39 | 5.88 | 6.20 | 5.98 | 5.71 | 5.43 | 5.38 |
| | New York | 12.20 | 12.28 | 12.68 | 12.75 | 12.35 | 11.98 | 11.59 | 11.96 | 12.23 | 12.57 | 11.82 | 11.36 | 11.09 |
| | Omaha | 4.69 | 4.86 | 5.13 | 5.73 | 6.15 | 6.43 | 6.35 | 6.37 | 6.50 | 6.59 | 6.45 | 6.22 | 6.08 |
| | Philadelphia | 5.38 | 5.58 | 5.76 | 5.58 | 5.67 | 5.63 | 5.63 | 5.48 | 5.77 | 6.01 | 6.02 | 5.78 | 5.52 |
| | Pittsburgh | 6.29 | 6.72 | 7.28 | 7.67 | 7.43 | 6.99 | 6.62 | 6.52 | 6.70 | 6.89 | 7.03 | 6.98 | 6.82 |
| | Richmond | 5.82 | 5.50 | 5.42 | 5.80 | 5.86 | 6.45 | 6.66 | 7.03 | 6.66 | 6.44 | 6.24 | 6.16 | 6.06 |
| | Saint Louis | 5.69 | 5.64 | 5.89 | 5.97 | 6.55 | 6.82 | 7.24 | 7.11 | 7.05 | 6.91 | 6.81 | 6.59 | 6.40 |
| | Salt Lake City | 4.44 | 4.39 | 4.66 | 4.90 | 5.18 | 5.56 | 5.66 | 5.76 | 5.74 | 5.82 | 5.83 | 5.63 | 5.49 |
| | San Francisco | 7.15 | 6.50 | 6.62 | 6.78 | 7.07 | 7.03 | 7.06 | 7.07 | 7.31 | 7.28 | 7.19 | 7.35 | 7.50 |
| | Seattle | 5.02 | 4.97 | 5.33 | 5.28 | 5.30 | 5.05 | 5.07 | 5.07 | 5.31 | 5.56 | 5.62 | 5.65 | 5.55 |
| | Tulsa | 5.85 | 5.97 | 5.77 | 5.68 | 5.92 | 6.21 | 6.53 | 6.76 | 7.17 | 7.33 | 7.16 | 6.92 | 6.71 |
| HEATED APARTMENT UNITS | Atlanta | 8.42 | 9.80 | 9.90 | 9.65 | 9.52 | 9.38 | 9.58 | 9.68 | 10.01 | 10.19 | 10.33 | 10.67 | 10.98 |
| | Baltimore | 10.83 | 11.27 | 12.09 | 12.23 | 11.79 | 10.88 | 10.72 | 11.04 | 11.59 | 11.97 | 12.04 | 12.00 | 11.93 |
| | Birmingham | 8.36 | 8.62 | 8.63 | 8.38 | 8.12 | 7.93 | 7.63 | 7.61 | 8.00 | 8.48 | 8.71 | 8.64 | 8.56 |
| | Boston | 9.55 | 11.75 | 11.36 | 11.16 | 10.44 | 10.12 | 10.40 | 11.59 | 12.68 | 13.17 | 13.46 | 12.79 | 11.87 |
| | Chicago | 11.68 | 12.32 | 11.86 | 11.79 | 11.49 | 10.88 | 10.92 | 11.04 | 11.04 | 11.15 | 11.35 | 11.66 | 11.73 |
| | Cincinnati | 10.70 | 10.82 | 10.67 | 10.30 | 9.93 | 9.57 | 9.72 | 10.10 | 10.78 | 11.24 | 11.40 | 11.28 | 11.09 |
| | Cleveland | 8.43 | 9.24 | 9.84 | 9.84 | 9.14 | 8.26 | 8.22 | 8.49 | 8.88 | 9.99 | 10.54 | 10.80 | 10.06 |
| | Columbus | 9.01 | 9.09 | 8.89 | 9.22 | 8.40 | 8.06 | 7.56 | 7.52 | 8.06 | 8.89 | 9.34 | 9.11 | 8.84 |
| | Denver | 9.70 | 9.88 | 10.08 | 10.14 | 9.76 | 9.24 | 9.40 | 9.60 | 10.06 | 10.65 | 10.95 | 10.90 | 10.80 |
| | Detroit | 9.60 | 10.08 | 10.47 | 10.37 | 10.36 | 10.00 | 9.65 | 9.45 | 9.73 | 10.22 | 10.87 | 10.86 | 10.54 |
| | Houston | 8.68 | 8.38 | 8.63 | 8.66 | 8.13 | 7.20 | 7.39 | 7.54 | 7.70 | 7.77 | 7.91 | 7.78 | 7.81 |
| | Kansas City | - | - | - | 7.05 | 6.65 | 6.24 | 6.18 | 6.36 | 6.52 | 6.67 | 6.73 | 6.77 | 6.84 |
| | Los Angeles | 10.23 | 9.76 | 10.38 | 11.18 | 11.28 | 10.85 | 10.43 | 11.11 | 11.27 | 11.23 | 11.17 | 11.31 | 11.60 |
| | Milwaukee | 9.32 | 9.70 | 9.97 | 9.83 | 9.91 | 9.70 | 9.56 | 9.63 | 9.87 | 10.10 | 10.09 | 10.00 | 9.80 |
| | Minneapolis | 8.89 | 9.09 | 9.17 | 8.81 | 8.21 | 8.31 | 8.06 | 8.48 | 8.78 | 8.81 | 8.76 | 8.82 | 9.02 |
| | New Orleans | 8.23 | 8.22 | 8.73 | 8.21 | 7.52 | 7.54 | 8.01 | 8.48 | 8.48 | 8.55 | 8.53 | 8.45 | 8.27 |
| | New York | 17.29 | 16.87 | 16.77 | 17.13 | 17.18 | 17.24 | 17.10 | 17.85 | 18.69 | 18.92 | 18.30 | 17.83 | 17.72 |
| | Omaha | 10.30 | 10.29 | 10.33 | 10.18 | 10.45 | 10.17 | 9.87 | 10.13 | 10.32 | 10.40 | 10.43 | 10.47 | 10.49 |
| | Philadelphia | 13.66 | 14.57 | 14.61 | 14.22 | 13.79 | 13.55 | 13.24 | 13.40 | 13.63 | 13.37 | 13.24 | 13.16 | 13.13 |
| | Pittsburgh | 8.81 | 9.43 | 9.88 | 10.21 | 9.91 | 9.24 | 8.91 | 9.02 | 9.35 | 9.56 | 9.70 | 9.77 | 9.71 |
| | Richmond | - | 9.56 | 9.57 | 9.99 | 10.23 | 9.89 | 9.62 | 9.66 | 10.03 | 10.07 | 9.96 | 9.87 | 9.90 |
| | Saint Louis | 8.62 | 8.66 | 8.76 | 9.07 | 9.19 | 9.19 | 9.22 | 9.41 | 9.76 | 9.81 | 9.81 | 9.74 | 9.76 |
| | Salt Lake City | 9.22 | 9.08 | 9.20 | 8.99 | 9.08 | 8.92 | 9.01 | 9.06 | 9.22 | 9.38 | 9.68 | 9.74 | 9.88 |
| | San Francisco | 11.36 | 10.92 | 10.67 | 10.78 | 10.67 | 10.52 | 10.50 | 10.82 | 10.90 | 11.33 | 11.41 | 11.82 | 11.79 |
| | Seattle | 10.10 | 10.24 | 10.21 | 10.05 | 9.69 | 9.51 | 9.65 | 10.06 | 10.21 | 10.58 | 10.48 | 10.52 | 10.04 |

*Preliminary

## FORECASTS FOR 1936 (continued from page 497)

family accommodations were built per month for each ten thousand families in all principal cities of the United States. This contrasts with an average over a period of years of thirty and an average in 1925 of sixty-seven. It is our belief that the final figure for 1936 will slightly exceed ten new accommodations per month per ten thousand families. During the early part of the year the number of new accommodations will be much below this figure; during the second half of the year the number will probably exceed it.

**CONSTRUCTION COSTS** During 1935 building material costs showed little change. The advance in price of some items was offset by drops in others. Labor costs increased, however, in a great many communities, increasing the total cost of construction. During 1936 we anticipate slight further increases in both materials and labor. The major rise in costs will come a year or so in the future.

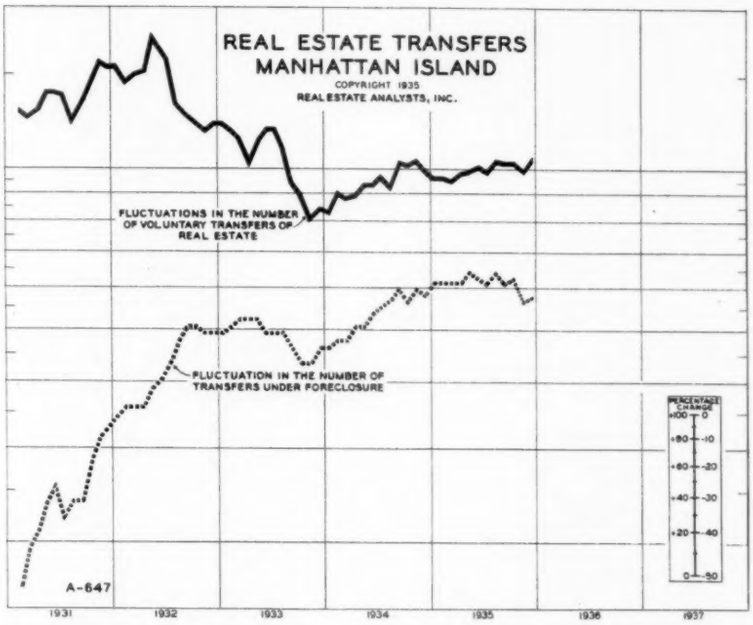
**REAL ESTATE PRICES** Prices at which desirable pieces of real estate were sold during 1935 showed a decided improvement over the prices of 1933 and 1934. This was due to the fact that fewer distress pieces were sold and to the fact that, because of reduced vacancies, better collections, and higher rents, real estate was more profitable. Prices will continue to increase during 1936 at a rate at least as rapid as the rate of increase during 1935. The major increase in both rents and values will come several years from now.

## COMPARISON OF RESIDENTIAL BUILDING COSTS IN 27 CITIES

The Federal Home Loan Bank Board has secured the total cost of construction of an identical house in twenty-seven cities.

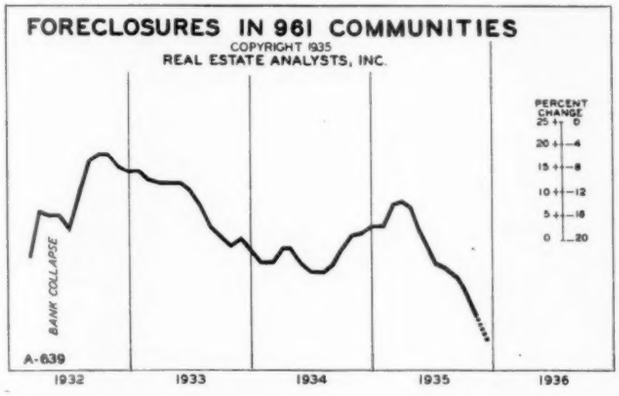
The home used as a standard of comparison contains a living room, dining room, lavatory, and kitchen on the first floor; three bedrooms and a bath on the second floor; and an attic. The exterior is of wide board siding with brick or stucco trim. A one-car attached garage is included. The average cost in the twenty-seven cities was $5470. The cost in each city and the percentage above or below the average is shown on the following table:

| City | Cost | % Above or Below Average | City | Cost | % Above or Below Average |
|---|---|---|---|---|---|
| Providence, R.I. | $6,442 | +17.6% | Birmingham, Ala. | $5,456 | - 0.3% |
| Chicago | 6,361 | 16.3 | Wichita, Kans. | 5,386 | 1.6 |
| Springfield, Ill. | 6,202 | 13.2 | Manchester, N.H. | 5,380 | 1.7 |
| Cumberland, Md. | 6,033 | 10.2 | Atlanta, Ga. | 5,367 | 1.9 |
| Colorado Springs | 5,972 | 9.1 | Pensacola, Fla. | 5,095 | 6.9 |
| Springfield, Mass. | 5,963 | 9.0 | Raleigh, N.C. | 5,056 | 7.5 |
| W. Palm Beach, Fla. | 5,911 | 8.0 | Richmond, Va. | 5,046 | 7.8 |
| Boston | 5,861 | 7.1 | Baltimore, Md. | 5,028 | 8.2 |
| Hartford, Conn. | 5,846 | 6.8 | Washington, D.C. | 4,977 | 9.0 |
| Oklahoma City | 5,756 | 5.2 | Asheville, N.C. | 4,960 | 9.3 |
| Oshkosh, Wis. | 5,703 | 4.2 | Portland, Me. | 4,813 | 12.0 |
| Roanoke, Va. | 5,508 | 0.8 | Montgomery, Ala. | 4,359 | 20.3 |
| Rutland, Vt. | 5,507 | 0.8 | Columbia, S.C. | 4,337 | 20.8 |
| Omaha, Nebr. | 5,487 | average | | | |

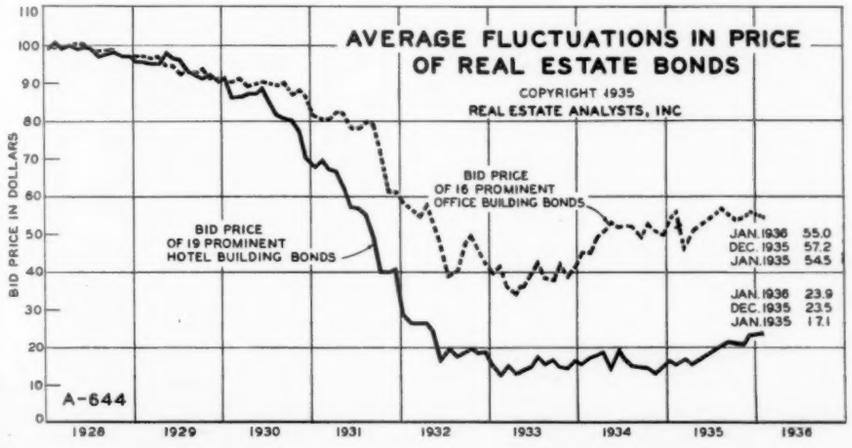



OUR long-range studies of the New York area are progressing nicely. In the next few months we hope to present the first of our studies contrasting activity in New York with activity in other areas. Until these studies are finished, we are showing such material as is available.

The chart (left), which has been corrected for seasonal fluctuation and for the decrease in the number of families, shows the fluctuations in the number of voluntary transfers of real estate in contrast with the fluctuations in the number of transfers under foreclosure from 1931 to the current month. The small percentage scale in the lower right hand corner can be used in determining the percentage of increase or decrease in the figures each month.




THE small chart to the left shows the variation in the number of foreclosures in 961 urban and rural communities in the United States from January, 1932 to November, 1935. The percentage of increase or decrease in the figures from month to month can be read by the use of the small insert scale. The dashed line gives a preliminary estimate for December, which shows the drop continuing.




THE chart to the left shows the average fluctuations month by month in the bid price of a selected list of office and hotel building real estate bonds described on page 447 of the September Real Estate Analyst. These bonds show no great change for January.

## REAL ESTATE TRANSFERS IN PRINCIPAL CITIES 1933-1934-1935

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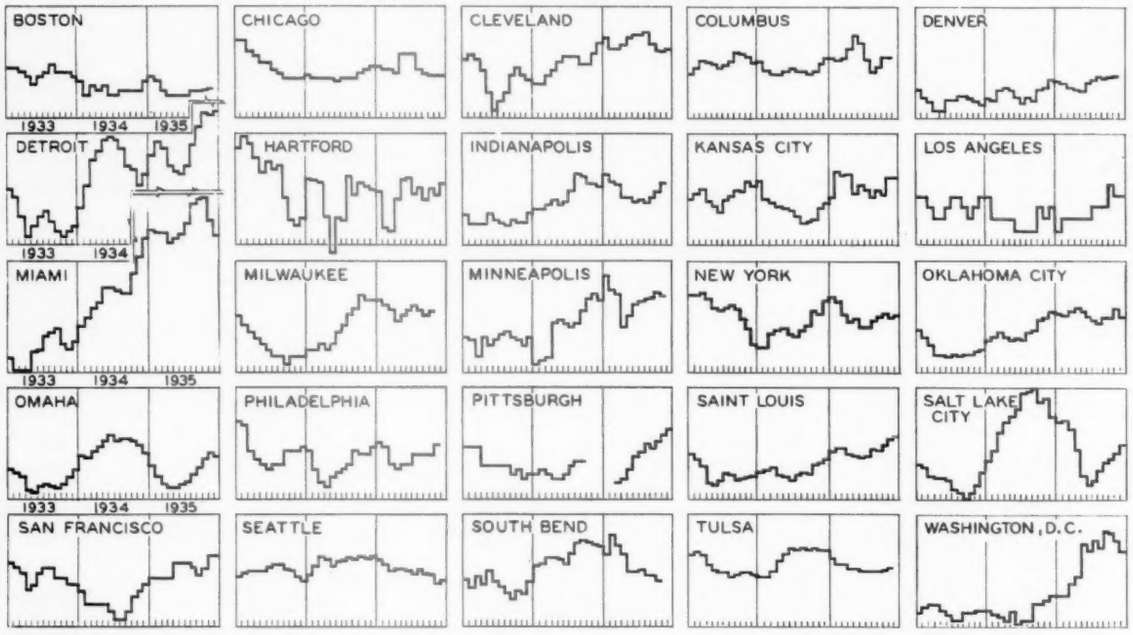
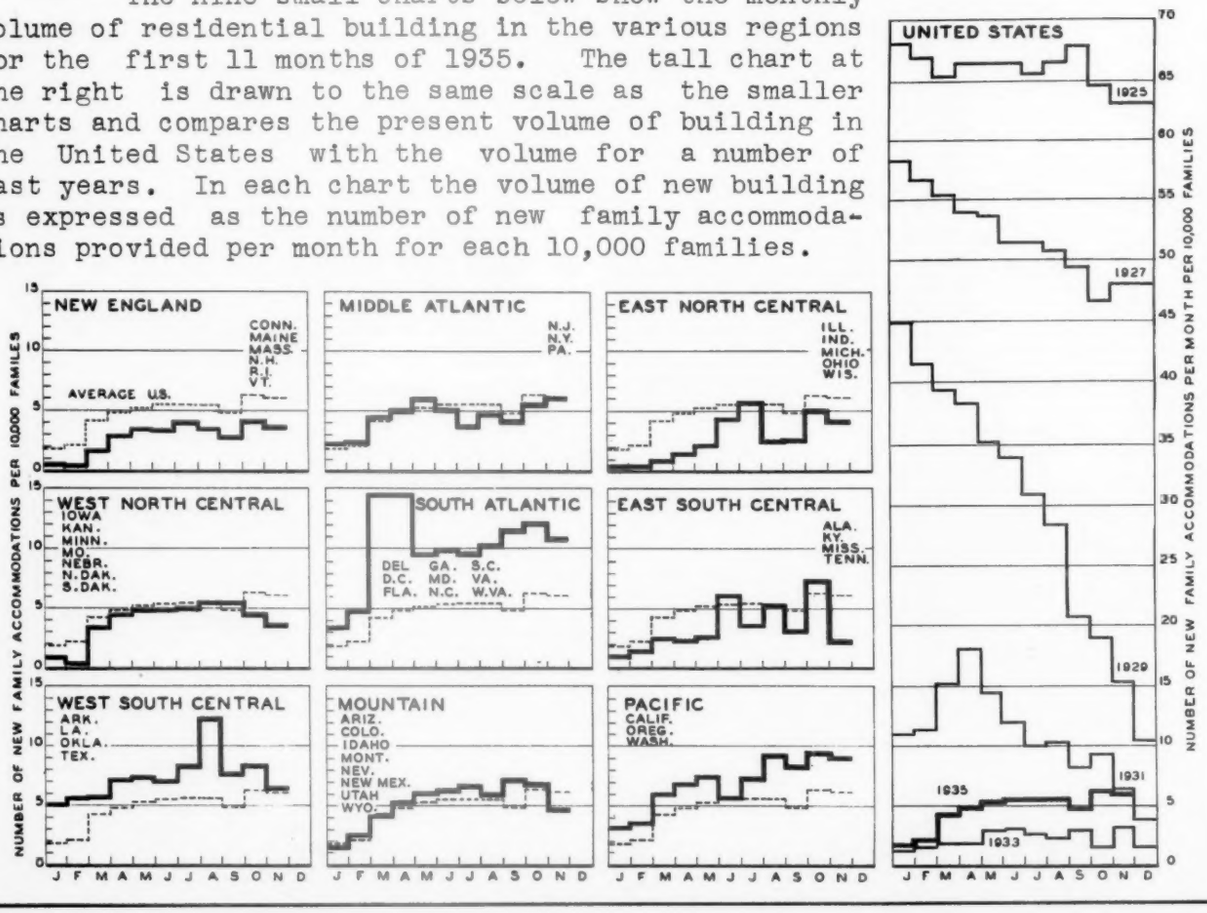
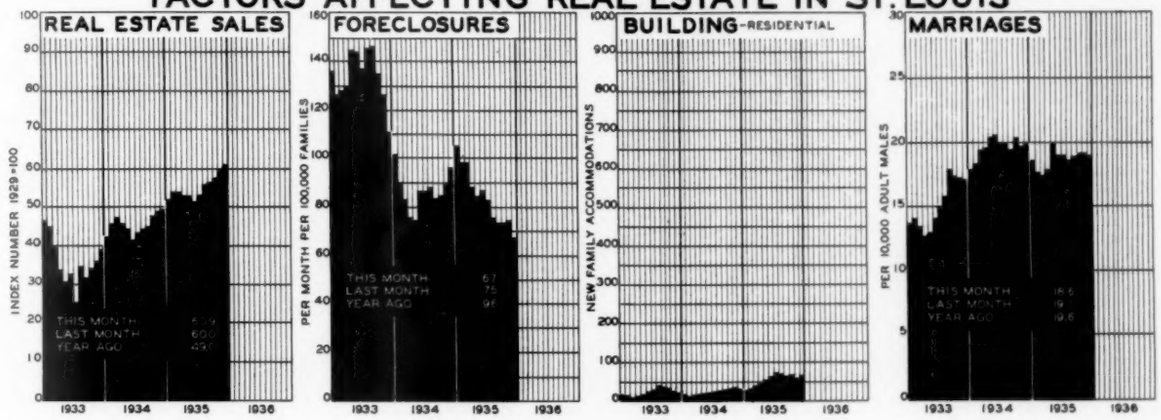



## RESIDENTIAL BUILDING IN THE UNITED STATES

The nine small charts below show the monthly volume of residential building in the various regions for the first 11 months of 1935. The tall chart at the right is drawn to the same scale as the smaller charts and compares the present volume of building in the United States with the volume for a number of past years. In each chart the volume of new building is expressed as the number of new family accommodations provided per month for each 10,000 families.



## FACTORS AFFECTING REAL ESTATE IN ST. LOUIS



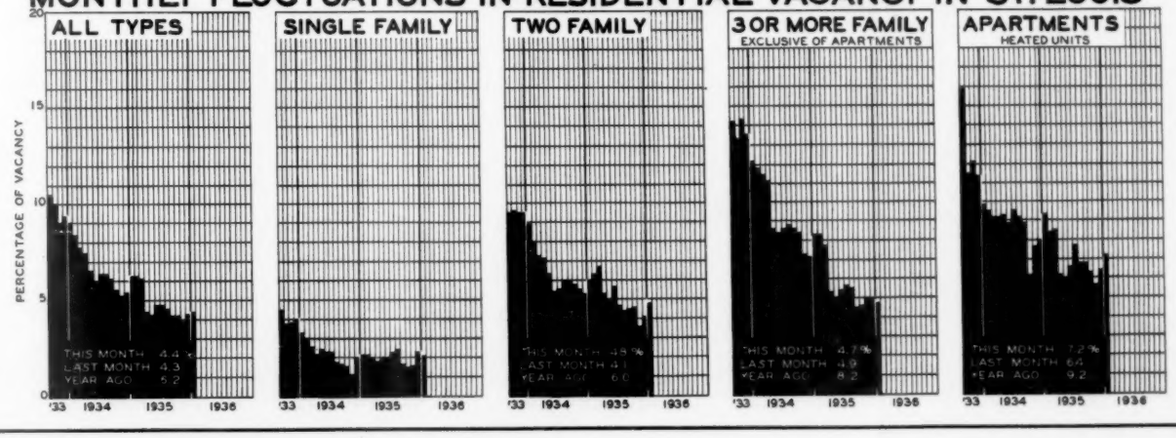

REAL Estate Analysts, Inc., has always made an intensive study of Greater Saint Louis on the assumption that an exhaustive, precise study over a long period of years of all factors affecting real estate in a single representative community is often of greater value in determining the sequence of events in collapse and recovery than is a more general study of the entire country. In addition to the charts on this page, other Saint Louis figures are shown on pages 494, 496, 498, 499, and 502.

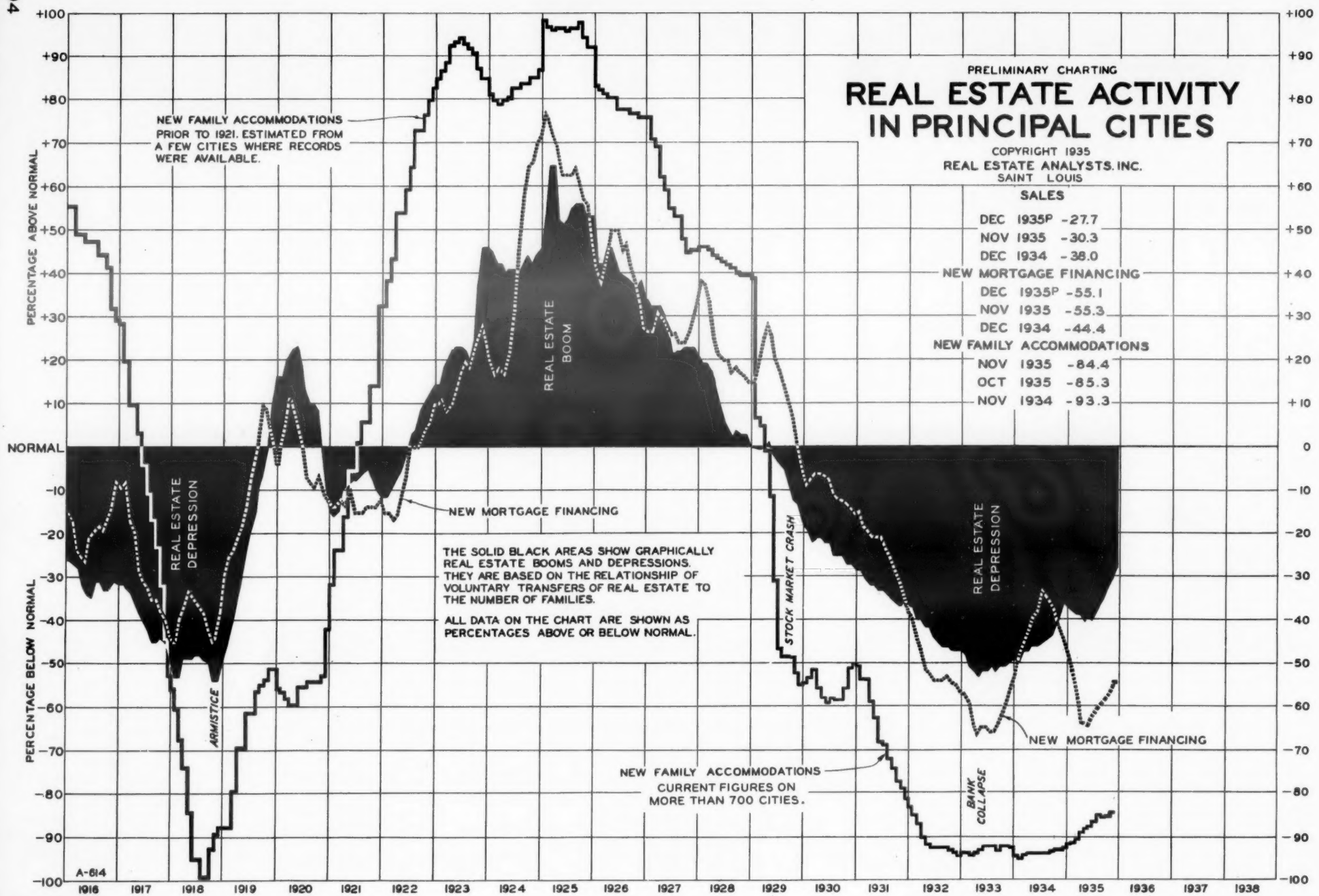
Total residential vacancy in Saint Louis increased during the past month by 200 units--from 4.3% on December fourth to 4.4% on January sixth. Vacancy increased in two family dwellings and in heated apartments and decreased in single family dwellings and three or more family units, exclusive of apartments. This is more or less of a seasonal increase. At this time of year there is always an increase in doubling up of families in the more precarious economic levels to reduce expenses for fuel. It will be noticed that vacancy increased in a similar fashion a year ago.

The number of vacant residential units at this season of the year during the past four years is shown on the following table:

| Date | Number of Vacancies | Percentage of Vacancy |
|---|---|---|
| November, 1932 | 28,207 | 12.8 |
| January, 1934 | 20,248 | 9.1 |
| January, 1935 | 13,900 | 6.2 |
| January, 1936 | 9,650 | 4.4 |

## MONTHLY FLUCTUATIONS IN RESIDENTIAL VACANCY IN ST. LOUIS




PRELIMINARY CHARTING
REAL ESTATE ACTIVITY IN PRINCIPAL CITIES
COPYRIGHT 1935
REAL ESTATE ANALYSTS, INC.
SAINT LOUIS
SALES
DEC 1935P -27.7
NOV 1935 -30.3
DEC 1934 -38.0
NEW MORTGAGE FINANCING
DEC 1935P -55.1
NOV 1935 -55.3
DEC 1934 -44.4
NEW FAMILY ACCOMMODATIONS
NOV 1935 -84.4
OCT 1935 -85.3
NOV 1934 -93.3
NEW FAMILY ACCOMMODATIONS PRIOR TO 1921. ESTIMATED FROM A FEW CITIES WHERE RECORDS WERE AVAILABLE.
REAL ESTATE BOOM
REAL ESTATE DEPRESSION
REAL ESTATE DEPRESSION
NEW MORTGAGE FINANCING
NEW MORTGAGE FINANCING
THE SOLID BLACK AREAS SHOW GRAPHICALLY REAL ESTATE BOOMS AND DEPRESSIONS. THEY ARE BASED ON THE RELATIONSHIP OF VOLUNTARY TRANSFERS OF REAL ESTATE TO THE NUMBER OF FAMILIES.
ALL DATA ON THE CHART ARE SHOWN AS PERCENTAGES ABOVE OR BELOW NORMAL.
NEW FAMILY ACCOMMODATIONS CURRENT FIGURES ON MORE THAN 700 CITIES.
ARMISTICE
STOCK MARKET CRASH
BANK COLLAPSE
PERCENTAGE ABOVE NORMAL
PERCENTAGE BELOW NORMAL
NORMAL
+100
+90
+80
+70
+60
+50
+40
+30
+20
+10
0
-10
-20
-30
-40
-50
-60
-70
-80
-90
-100
1916
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